



State of Utah

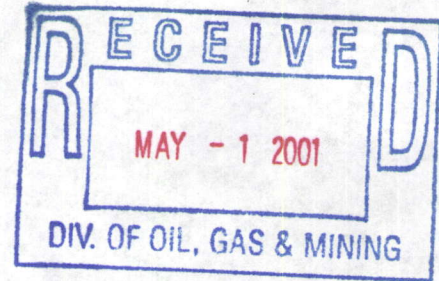
School and Institutional
TRUST LANDS ADMINISTRATION

Michael O. Leavitt
Governor

David T. Terry
Director

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Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

April 27, 2001



S/023/057

Sprunger's Minerals
P.O. Box 38054
Leamington, Utah 84638

Re: Amendment to Notice of Intent to Commence Mining, Small Mine,
Gemstone/Fossil Lease ML 47821, DOGM file # S/023/057

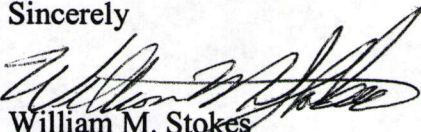
Dear Mr. Sprunger:

The School and Institutional Trust Lands Administration is in receipt of your amendment small mine plan, dated April 24, 2001, expanding operations in land encompassed by the above referenced Gemstone/Fossil lease. The information provided satisfies the requirements of the Trust Lands Administration, however, before approval can be granted you will be required to satisfy the reclamation bonding requirements as set forth in my letter of April 5, 2001. As provided for under administrative rule 850-20-2800 (b) the Trust Lands Administration requires a bond of no less than \$5,000.00 per acre of surface disturbance. Presently your operation has disturbed approximately 12,555 square feet, or approximately one quarter (1/4) acre, which is the limit of your current reclamation bond. Increasing the disturbed area by an additional one quarter (1/4) acre will require additional bonding in the amount of \$1,250.00. The Trust Lands Administration is presently holding bond # 0569992780600 in the amount of \$1,250.00 for the existing one quarter (1/4) acres of disturbance.

Bonds may be accepted in any of the following forms:

- a) Surety bond with an approved corporate surety registered in the state of Utah.
- b) Cash deposit.
- c) Certificate of deposit in the name of the School and Institutional Trust Lands Administration and Lessee, or a certificate of deposit with three signatures required, two signatures will be those of the Trust Lands Administration and one of the Lessee's. Two signatures will be required to redeem on the certificate of deposit. The certificate of deposit must be issued by an approved state or federally insured banking institution registered in Utah. The certificate must have a maturity date no greater than 12 months, be automatically renewable and be deposited with the Trust Lands Administration.

Sincerely


William M. Stokes
Minerals Resource Specialist

Cc: Tom Munson, DOGM